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SUBJECT: CODEL KOLBE MAY 20 MEETING WITH PALESTINIAN
PRESIDENT MAHMOUD ABBAS

REF: CAIRO 3119

Classified by Economic and Political Counselor John Desrocher
for Reasons 1.4(b) and (d)

[1](#)1. (C) Summary: In a May 20 meeting on the margins of the World Economic Forum (WEF) in Sharm el Sheikh, Egypt, Palestinian President Mahmoud Abbas told House Foreign Ops Subcommittee Chairman Rep. Jim Kolbe and his delegation that, having had little choice but to allow Hamas to form a government, he hoped that it would fail. Acknowledging that Fatah had made mistakes, Abbas was optimistic that the party would be revitalized within months. He pledged to organize a national dialogue in the near future in an attempt to unify the Palestinian people. In the meantime, he pleaded with Rep. Kolbe to find some solution to the dire funding situation, saying he felt "besieged" by the international community's cutoff of assistance. The day-to-day suffering of the Palestinian people was growing and current situation is a "disaster waiting to happen," Abbas said. One option might be funding through the office of the President with appropriate safeguards and monitoring, Abbas suggested. Rep. Kolbe assured Abbas that Congress would seek a means to provide funds for the Palestinian people, but made clear that USG funding would not be channeled to Hamas. End summary.

[1](#)2. (U) Joining the meeting with President Abbas were Dr. Saeb Erekat, Chief Palestinian Negotiator, Fatah MP Nabil Shaath, Nabil Abu Rudeina, Palestinian Authority Spokesman, and Amb. Munzir el-Dajani, Palestinian Ambassador to Egypt. The delegation of House Foreign Operations HAC Subcommittee Chairman Jim Kolbe (R-AZ) included Rep. Nita Lowey (D-NY), Rep. Howard L. Berman (D-CA), Rep. James P. Moran (D-VA), Rep. Roger Wicker (R-MS), Rep. Caolyn Kilpatrick, (D-MI), Rep. Brian Baird (D-WA), and Mr. David Adams, Staff Director for the House International Relations Committee.

Hamas Recalcitrant, to Fail

[1](#)3. (C) Abbas explained that after Hamas won the legislative assembly elections he considered attempting to thwart the formation of a Hamas government, but in the end had little choice but to allow the new government to be formed. Now Hamas was facing the international community, he said, and could be expected to fail. Although there were slight differences between Hamas leaders in Gaza and those from the West Bank, he emphasized that there was no indication whatsoever that Hamas would change its position on three critical issues: 1) recognition of Israel, 2) honoring international commitments, and 3) renunciation of terror. No Hamas members of the government were attending the WEF, he noted, and Hamas has been treated very coolly by the Egyptians.

Revitalizing Fatah and Continuing Talks with Israel

[1](#)4. (C) Acknowledging that Fatah had made mistakes, Abbas was optimistic that the party could be revitalized within the next three to four months, and would win the next elections. The party still had overwhelming popular support, he claimed, despite mistakes which had cost them the recent elections. Part of the problem, he explained, was a lack of party discipline. There were seats contested by two or more Fatah members, and the party was not unified. Sanctions have been meted out against some members of the party, and about 80 people were fired from Fatah positions, he said. He pledged to organize a national dialogue within the next two weeks in an attempt to unify the Palestinian people. Regarding talks with Israel, Abbas said that he had already had numerous telephone conversations with new Israeli Prime Minister Olmert. Abbas wants to continue to engage in negotiations, and bilateral talks, according to the Roadmap, he said, are the best route.

"Besieged" by the International Community

15. (C) Abbas pleaded with Chairman Kolbe to find some solution to the Pakistanis' dire need for funding, saying he felt "besieged" by the international community's cutoff of assistance. The day-to-day suffering of the Palestinian people was growing and current situation is a "disaster waiting to happen," Abbas said. He noted that private sector was hurting, with businesses closing, bank deposits down, and emigration on the rise. Of immediate concern, he noted were the salaries owed to 150,000 government employees, all of whom were Fatah. "Give us the means for survival," Abbas told Rep. Kolbe. Cutting off all funding was not the right strategy.

Funding Flow through the Office of the President?

16. (C) Acknowledging the importance of keeping donor funds out the hands of Hamas ministers, Abbas suggested that one solution might be to route funding directly through his office. He stated that if this would be considered, he would agree to any sort of monitoring or evaluation required by the donors. Chairman Kolbe assured Abbas that Congress would seek a means to provide funds for the Palestinian people, but made clear that USG funding would not be channeled to Hamas.

17. (U) CODEL Kolbe did not have an opportunity to clear this report before departing Egypt.
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